government include strict fiscal discipline, rationalization of duties of essential items effective supply demand management of essential commodities through liberal tariff and trade policies, and strengthening the public distribution system. Policies of the Reserve Bank of India and the Government complement each other.

DR. Y.S.P. Thorat Committee

1151. SHRI MOINUL HASSAN: Will the Minister of FINANCE be pleased to state:

whether Government has approved the recommendation of Dr. Y.S.R Thorat Committee on Human Resource Development in Rural Banks;

whether Government shares, the views of the Chairman of all Regional Rural Banks in this regard as recorded in the proceedings of 2 June, 2007 at Lucknow; and

whether Government is going to constitute a Committee on amendment of RRB staff service rules, as recommended by Dr. Thorat Committee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) The Report of Dr. YS.P. Thorat Committee on Human Resource Development in Rural Banks is under consideration.

Interest subvention scheme

1152. SHRI KESHUBHAIS. PATEL: Will the Minister of FINANCE be pleased to state:

whether it is a fact that Government has announced an Interest Subvention Scheme for providing farm credit at the rate of 7 per cent;

if so, the details thereof;

whether the State Government of Gujarat has pointed out some difficulties for its implementation in their State; and

if so, the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Government has decided to ensure that farmers receive Short Term Credit at 7% with an upper limit of Rs. 3 lakh on the principal amount since 2006-07. Public Sector Banks, Regional Rural Banks (RRBs) and Cooperative Banks are being provided interest subvention on their own involvement of funds @ 2%. The Government is also providing interest subvention to NABARD and concessional refinance to RRBs and Cooperative Banks for the purpose. This scheme continues for the years 2007-08 and 2008-09.

(c) and (d) Yes, Sir. The Government of Gujarat had highlighted the following difficulties in implementation of above scheme in Gujarat:

Government of India to consider provision of interest subvention to Cooperatives on their own involvement.

NABARD's refinance to Cooperative Banks to be to the extent of 85% of their crop loans.

NABARD's refinance to be available to all Section 11(1) non-compliant banks.